

MASS.

CD14.3:

987/SPR-

991

INC



312066 0271 5962 7



MASS. CD14.3: 991/summer

CEDAC SITES

GOVERNMENT DOCUMENT COLLECTION
OCT 17 1991
University of Massachusetts
Depository Copy

SUMMER 1991

Community Economic Development Assistance Corporation

ex-pi-ra-tion (ek'spe rā'shen) *n.* [ME. *expiracioun* < L. *expiratio*, *exsiratō* < pp. of *exspirare*, EXPIRE] 1. a breathing out, as of air from the lungs 2. a) something breathed out b) a sound, etc. made by breathing out 3. a breathing one's last; dying 4. a coming to an end; close

ex-pir-a-to-ry (ik spīr'e tōr'ē) *adj.* of expiration; relating to breathing out air from the lungs

ex-pire (ik spīr') *vt.* -pired', -pir'ing [ME. *expiren* < L. *exspirare* < *ex-*, out + *spirare*, to breathe: see SPIRIT] 1. to breath out (air from the lungs) 2. [Obs.] to give off (an odor etc.) -*vi.* 1. to breathe out air 2. to breathe one's last breath; die 3. to come to an end; terminate; cease [the lease expired] -SYN. see DIE¹

ex-pir-ing use re-stric-tions 1. technical jargon referring to contractual right possessed by owners of low- and moderate-income rental housing to convert to market rate housing after 20 years 2. result of owners' exercise of right to prepay a publicly subsidized 40 year mortgage after 20 years 3. owner's right to terminate contractually imposed *use restrictions* requiring rental to low- and moderate-income households by prepaying publicly-assisted mortgage 4. problem affecting 360,000 units nationally (32,156 in Massachusetts) and subject of important new housing legislation designed to preserve affordability



Springfield's Allen Park project where CEDAC is assisting tenants seeking to purchase 263 unit complex.

ex-plain (ik splān') *vt.* [ME. *explanen* < L. *explanare*, to flatten < *ex-*, out + *planare*, to make level < *planus*, level (see PLANE²): sp. infl. by PLAIN¹] 1. to make clear, plain, or understandable 2. to give the meaning or interpretation of; expound 3. to account for; state reasons for -*vi.* to give an explanation - **explain** away to state reasons for so as to justify, often by minimizing, or make understandable - **explain oneself** 1. to make clear what one means 2. to give reasons justifying one's conduct -**ex-plain'a-ble** *adj.*

sofā; ēve, hēre (27), ěvent, ěnd, silěnt, makōr; īce, ūll, fōōd, fōōt; out, oil; cūbe, ūnite, ūrn, ūp, circūs, menū;

Facing the Expiring Use Dilemma

by Michael Gondek

Tenant Purchases: A Personal Perspective

Mary Louise Daly helped found the Clarendon Hill Towers Tenant Association (CHTTA) and served as its past president. She knows first hand both the pain and the pleasure preserving a HUD subsidized project. Last fall, CHTTA bought its 500 unit development in Somerville from its New York owners under a plan which will keep the housing affordable forever.

"When we first got involved, we didn't really know that it would be so frustrating and difficult to understand. But after we kept at it a while, I even found myself using the jargon," says Mary Louise.

"Vince O'Donnell of CEDAC recently asked me if I had any regrets, and I honestly had to say that I didn't. It was ultimately such a satisfying experience. No matter what happened, I always knew that we had done the very best we could.

"Looking back, it's mind boggling that we dared to do this! The support we got for what we did was overwhelming, and it gave me great pride in our ability as a community to accomplish anything we want.



*Mary Louise Daly in her Clarendon Hill apartment.
(Boston Globe photograph)*



Shawmut Avenue structures that are a part of South End scattered site EUR project owned by ETC Associates.

During the next decade, the owners of over 360,000 units of privately owned rental housing in the U.S., financed with federally-assisted mortgages, will be eligible to prepay those mortgages and to convert that housing from low- and moderate-income use. The potential impact is particularly acute in Massachusetts, which has 32,156 of the affected units.

The term "expiring use restrictions" or "EUR" is used to describe the problem because the prepayment of these HUD mortgages extinguishes mortgage covenants which restrict the owner to lease units only to low- and moderate-income households. Without these use restrictions owners could change the use from rental to condominium, and from affordable to market rate housing.

Because of the sheer number of units at risk, CEDAC identified the EUR problem several years ago as the most crucial housing issue of the coming decade. In concert with other state agencies, such as EOCD, MHP, and MHFA, tenant organizations, and interested non-profit developers, CEDAC began to explore tenant and non-profit acquisitions of these properties as part of a state strategy for preserving

this affordable housing stock.

CEDAC played a key role in structuring the successful acquisition at Clarendon Hill Towers in Somerville and is also working with tenant and non-profit organizations at Castle Square in Boston's South End, Allen Park in Springfield, ETC Associates in Boston, and Commonwealth and Glenville Apartments in the Brighton neighborhood of Boston.

The passage last October of Title VI of the National Affordable Housing Act of 1990, also known as Low-Income Housing Preservation and Resident Homeownership Act (LIHPRA), has lent new impetus to the sale of many of these developments to tenant and local non-profit organizations.

Title VI not only prevents most (but not all) owners from prepaying their mortgages, it extends the low- and moderate-income rental use for the *remaining useful life* of the buildings. In return, the government is offering owners two ways to realize the same financial return as they would have realized had they been allowed to prepay their mortgages and change the use.

CEDAC sees substantial opportunities for non-profit ownership and management.

"This is our home. We didn't want someone else making decisions that might have forced us out. We also care about whether the trash is removed, and whether lights are replaced in the hall five years from now, and whether the roof is going to leak in ten years because it hasn't been maintained.

"How could we be sure that someone else – someone who is perhaps simply incompetent or whose main goal is profit – would take care of these buildings forever? My advice to other tenants is that I'm sure their owners may be very nice people, as ours were, but you never know what they'll decide.

"As a result of buying the buildings, residents know each other better, and there's a great sense of pride. Everyone is thrilled with the repairs we're doing. We once had to beg people to serve on the Board; not any more. That's what happens when you pull together. People care more about the development and more about their neighbors." ■



Clarendon Hill tenants gather in courtyard at ceremony to mark their successful purchase last fall.

This solution to the EUR problem will cost the Federal government \$27.5 billion over the next decade, preserve most of the units, allow for needed rehabilitation, and expand ownership opportunities for tenant and non-profit organizations.

Owners may now retain ownership and, in return for extended affordability, will receive substantial federal financial incentives. Alternatively, owners can sell, and an advantage is given to "priority purchasers" – non-profit development organizations, resident associations, and public agencies – who will in turn, be obligated to preserve the affordability for the project's remaining useful life. Once again, such transfers can be achieved with federal financial assistance.

Because Title VI confers this preferential purchaser status on CEDAC's constituency of non-profit developers and resident organizations, CEDAC sees substantial opportunities for non-profit ownership and management.

Given the heightened interest in this issue since the Act's passage, CEDAC felt it would be useful to distribute a special edition of our newsletter summarizing recent developments around the EUR issue, and providing the best informed judgments about how local non-profits and tenants should proceed to take maximum advantage of opportunities in this area.

There do exist, however, a host of timing, financial, business, and regulatory dilemmas which must be addressed in order to realize the potential to both preserve this housing and expand tenant and non-profit ownership opportunities. We hope the information summarized here will help stimulate the level of action required by non-profits to implement the spirit of this important new law. ■



Village Park is one of three EUR developments in Amherst.



Carlos Luna, of the South End-based CDC, IBA, spearheads effort to buy 71 unit ETC Associates from its limited partners.



Allston Brighton CDC's Kate Casa with Glenville tenant activists, Luis Surell (right) and Enrique Perera (left).



Facade detail from Commonwealth Apartments in Brighton neighborhood of Boston.

The National Affordable Housing Act of 1990 has lent new impetus to tenant and local non-profit purchases...



Commonwealth Apartments in Brighton.

The Recently Enacted Preservation Act: What It Says.

The Low-Income Housing Preservation and Resident Homeownership Act (Title VI of the National Affordable Housing Act of 1990) eliminates the right of owners of most low-income housing financed with U.S. Department of Housing and Urban Development (HUD) mortgages to prepay those mortgages without HUD approval.

In return, the act gives the owner three options:

- terminate the existing affordability restrictions with HUD approval in certain circumstances;
- extend the restrictions in exchange for financial incentives from HUD;
- sell the property to a purchaser who receives financial incentives from HUD to preserve the housing for low-income use.

The first step an owner must take is to file a Notice of Intent with HUD. This notice cannot be filed earlier than two years before the date on which the owner would be eligible to prepay his mortgage – usually the 20th year of the 40 year mortgage. The Notice of Intent does not require the owner to make an irrevocable election as to which of these three options he intends to ultimately pursue, but initiates the process for making that decision.

This notice signals HUD to commission an appraisal of the project's fair market value. If the owner eventually decides to retain ownership, the property will be appraised for its value as market rate rental housing. If the owner wants to sell, the appraisal will be based on the highest and best use of the property. Since the owner's decision is not final at this stage, HUD will need to determine both values; the values resulting from these appraisals are referred to as "Extension Preservation Values" for owners planning to retain ownership and as "Transfer Preservation Values" for sales.

HUD next determines the equivalent "Preservation Equity," basically the values derived from the appraisal minus existing debt and mortgages secured by the property.



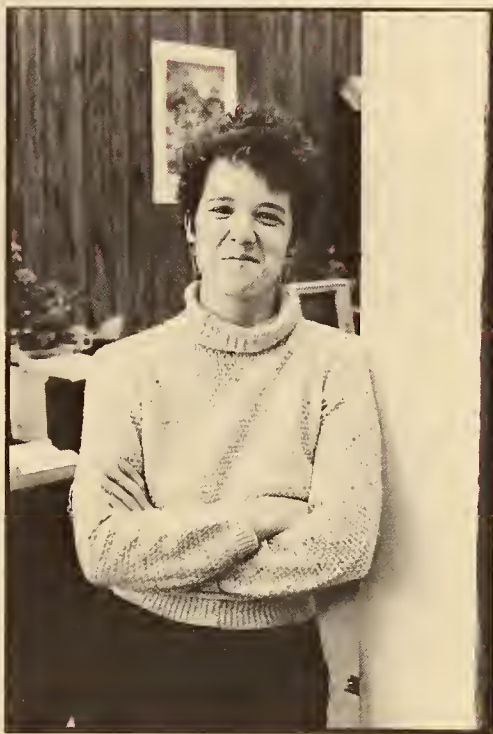
929 House in Cambridge.

Finally, these values are translated into "Preservation Rents" – a hypothetical construct which HUD then compares with an upper allowable rent level essentially equal to the income stream generated by project rents set at 120% of Section 8 Fair Market Rents for the area. If the preservation rents are within that limit, then the owner may proceed to either receive incentives to retain ownership, or to voluntarily sell the property to a priority purchaser.

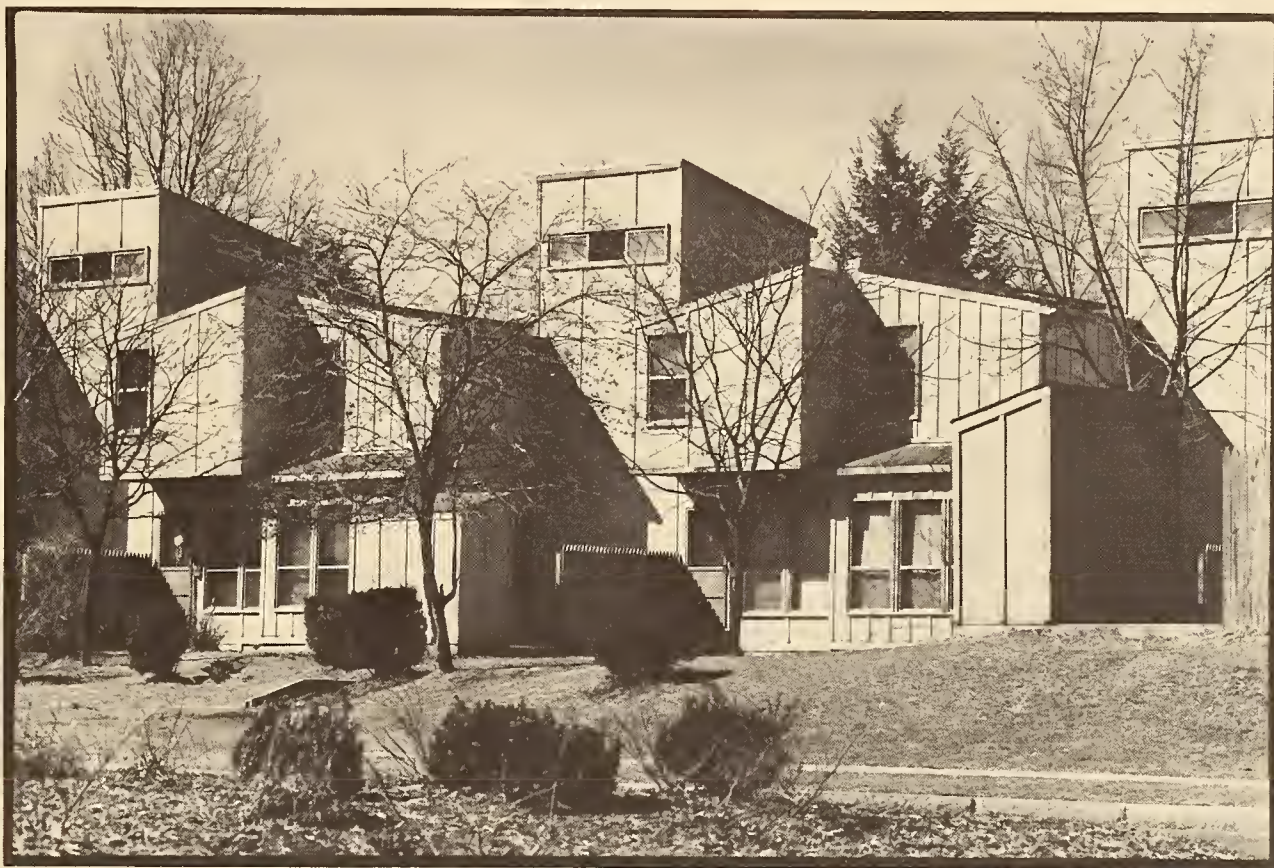
The most important point of this exercise is to determine whether the preservation rents exceed these allowable upper federal rent limits. If they do, the owner who may have sought to retain the property will receive a lower rate of return thus making a sale more desirable.

An owner is not entitled to receive the preservation rents. Actual rents will be derived after negotiations between the owner or buyer and HUD.

*Without technical assistance
or...required equity...most
priority purchasers will be
prevented from bidding on
EUR properties.*



*Betsy Wright, organizing tenants
at EUR projects for the Springfield-
based Anti-Displacement Project.*



The 270 unit Spring Meadow development in Springfield.

If an owner decides to pursue a sale, he must file a second Notice of Intent with HUD, declaring that this is his course of action. This notice then triggers a 12 month marketing period within which only priority purchasers may attempt to negotiate a sales agreement with the owner for a sales price up to the preservation value.

Under any scenario, if a sale agreement with a priority purchaser cannot be consummated within 12 months, the owner has another three months to reach agreement with a "qualified purchaser," which includes for-profit entities who agree to preserve the housing for low-income use for its remaining useful life.

However, the owner is entitled to prepay if this extended marketing period fails to produce a buyer or if the buyer fails to consummate the purchase.

Should an agreement be reached, HUD is required to provide financial incentives to the purchaser sufficient to enable the purchaser to pay that price, subject only to appropriation of sufficient funding to HUD.

Incentives may include Section 8 rental

assistance for all tenants with incomes below 80% of median income; Section 241 mortgage insurance for up to 95% of the preservation equity and 90% of the rehabilitation cost; Flexible Subsidy loans, and, for priority purchasers, grants equal to the present value of ten years of Section 8 Fair Market Rents.

In general, such a sale ought to guarantee low-income preservation for the remaining useful life of the project and reimburse priority purchasers for their transaction costs.

Thus the new legislation creates a powerful tool for preserving the EUR housing stock with a well-funded federal entitlement program. However, the risk of prepayment remains. Without technical assistance or the funds to satisfy the statutorily required equity contribution under the section 241 insurance program, most priority purchasers will be prevented from bidding on EUR properties. It is hoped that provisions contained in a state housing bond bill currently pending on Beacon Hill will provide these much needed resources. ■

CEDAC's Database of Massachusetts EUR Properties

Community/ Project Name	Units	Prepayment Option Date	Notes	Community/ Project Name	Units	Prepayment Option Date	Notes	Community/ Project Name	Units	Prepayment Option Date	Notes
Adams				Brockton				Medford			
Adams Housing	60	25-Jun-97		Battles Farm	320	28-Apr-90	B	Mystic Valley Towers	465	16-Feb-93	A
Amherst				Pine Grove Apts. II	113	03-Nov-93	C	Milford			
Puffton Village IV	64	18-Apr-93		Southfield Gardens	200	02-Dec-97		Brook Village South	260	02-Jul-94	
Rolling Green Amherst	204	16-Jan-90	A B	Brookline				Rolling Green Milford	304	18-Sep-90	A B
Village Park	200	19-Oct-93		100 Centre Plaza	214	01-Jul-90	A B	New Bedford			
Barnstable				1550 Beacon Plaza	180	19-Dec-92	A B	Buttonwood Acres	132	30-Dec-91	A
Cromwell Court	124	15-Jun-92	A B	Beacon Park	80	05-Feb-93	A C	Clarkwood Apts.	30	01-Sep-90	A
Boston				Cambridge				Harborview Towers	144	18-Jul-94	
Academy Homes II	314	13-May-2005	D	808 Memorial Drive	301	13-Apr-93	A	Melville Towers	320	31-Dec-96	
Amiff Housing	96	02-Apr-93	C	929 House	127	29-Mar-92	A B	Rockdale West	225	24-Jan-95	A
Amy Lowell House	152	02-Dec-95		Briston Arms	154	21-Oct-91	A B	Wamsutta Apts. I,II	78	31-Jan-92	A
Ausonia Homes	151	26-Oct-98		Cambridge Court	123	15-May-93	A	North Adams			
Bay Towers	153	02-Mar-94		Fresh Pond Apts.	506	13-Aug-90	C B	Mohawk Forest	190	03-Jan-94	
Blue Hill	45	21-Jun-97	D	Huron Towers	248	24-Dec-94		Northampton			
Brandywyne Village	402	19-Jun-88		Rindge Apts. II	274	31-Oct-93		Hampton Gardens	207	18-Jan-95	
Brighton Gardens	62	08-Mar-92	A	Walden Square	240	31-May-94	C	Meadowbrook	252	16-Jan-93	A
Brighton Village	68	29-Aug-2000	D	Chelsea				Norwood			
Burbank Apts.	173	02-Jul-91	B	Broadway Glen	120	03-Aug-96		Nassau Gardens	204	26-Sep-94	D
Burton Associates	91	22-Sep-2000	D	Chicopee				Orange			
Camelot Court	160	02-May-88	B	Macarthur Terrace	222	08-May-98		Pine Crest	114	23-Mar-93	A
Castle Square	500	18-Mar-88		Dartmouth				Pittsfield			
Charlame II	38	30-Sep-97	D	Solemar Apts.	200	12-Dec-95	A	Dalton Apts.	100	11-Mar-92	C B
Charlame Pk Homes 2A/B	41	28-Sep-99	D	Fall River				Riverview West	119	02-May-94	
Chauncy House	87	15-Oct-95		Bay Village Apts.	205	02-Mar-93		Plymouth			
Church Park	508	11-Feb-91	A	Fulton Street Apts.	28	03-Mar-92	A	Algonquin Heights	201	23-Feb-92	A B
Comaven Apts.	89	24-Aug-94		Riverview Towers	200	14-Mar-91	A	Mayflower Village	100	06-Mar-90	C B
Comm Ave. Housing	118	02-Aug-94		Rolling Green Fall River	404	13-Oct-91	A B	Mayflower Village II	58	08-Dec-93	C
Commonwealth Federal	62	26-Jul-92		Fitchburg				Quincy			
Crawford House	9	08-Nov-91	A	Meadowbrook Village	228	20-Dec-92	C B	Wollaston Manor	164	21-Nov-95	A
Cummins Towers	238	26-Mar-90	B	The Johnsonia	52	30-Oct-92	A	Salem			
Danube Apts.	65	22-Jan-91	C B	Frammingham				Salem Heights	285	09-May-95	
Esperanza Walnut	42	15-Feb-2000	D	Beaver Terrace	254	23-Apr-88		Springfield			
ETC Associates	71	20-Sep-92		Edmands House	190	08-Feb-92	A B	Allen Park Apts. I	170	16-Sep-89	B
Florence Apts.	138	17-Jul-88	B	Sherwood Park	81	03-Jun-90		Allen Park II	93	29-Jun-91	B
Forest Hills Apts.	108	24-Sep-85	C	Franklin				Bay State Apts.	307	19-Oct-94	
Forest Hills Coop	87	30-Sep-96	D	Glen Meadow	288	14-Jan-91	A	Bergen Circle	201	27-Jul-93	A
Georgetown Housing I	601	02-May-90		Gardner				City-Vue I	152	03-Jan-95	
Georgetown Housing II	366	11-Dec-91	B	Olde English Village	200	19-Jul-95	C	City-Vue II	120	09-Jan-95	
Glenville Apts.	117	03-Jan-92		Gloucester				Colonial Estates	500	16-Sep-91	B
Hartwell Terrace	17	03-Jan-93	A C	Central Grammar	80	01-Jan-97	A	Concord Apts.	104	10-Jan-95	
High Point Village	540	10-Aug-86	B	Greenfield				Orange Apartments	12	24-Dec-95	
Infill II	4	30-Sep-2001	D	Greenfield Acres	94	17-Jul-92	A	Patton Apts.	12	28-Apr-92	B
Jamaica Plain Apts.	103	07-May-97	D	Greenfield Gardens	201	05-Feb-94		Spring Hill Apts.	71	09-Sep-91	A C
Landfall Apts.	16	12-Apr-93	A C	Leyden Woods	200	19-Sep-93		Spring Meadow	270	02-Mar-93	
Mass Pike Towers	200	02-Aug-94	C	Haverhill				St. James Manor	40	25-Nov-95	
Mattapan	183	30-Sep-96	D	Mission Towers	117	17-Sep-91	A C	Walnut Street Apts.	16	13-Dec-95	C
Mishawum Park	337	14-Jun-95		One Water Street	164	09-Aug-91	A	Stoughton			
Morton Apts.	24	28-Sep-99	D	Presidential Gardens	200	26-Feb-91		Wentworth Manor	102	21-Oct-90	C
Park Gardens	38	31-Aug-97	D	Holyoke				Taunton			
Parkchester Apts.	98	30-Sep-97	D	Hampshire Pines	50	20-Apr-91	A	Highland Hills	116	18-Nov-90	B
Piano Craft Guild	174	21-Nov-92	A	Holyoke Hill	165	18-Aug-91	A	Taunton Gardens	128	01-Jan-96	C
Pond View Apts.	60	08-Feb-94		Holyoke Towers	122	22-Jun-92	A B	Ware			
Port Antonio	227	04-Oct-99	D	Northeast Apts.	69	12-Jun-92	A C	Highland Village	111	05-Jun-92	A B
Rap-Up II B	51	31-Dec-94		Sargeant Arms	43	23-May-93	A	Wareham			
Rockingham Glen	143	17-Jul-93	A	Sargeant West Apts.	154	26-Apr-99		Brandy Hill	132	26-Apr-92	A B
Rutland Housing	44	02-Apr-93		Whiting Farms II	225	01-Jul-91		Pinewood Apts.	100	28-May-91	A
Shore Plaza East	380	22-Sep-96		Lawrence				Webster			
Smith House	132	19-Jun-92	A	Amesbury Gardens	160	04-Feb-93	B	North Village at Webster	134	14-Jul-91	A
South End Apts.	28	30-Sep-2001	D	Bradford Apts.	168	23-Mar-86	C	Richards Apts	54	17-Dec-95	C
South End Tenants II	185	02-Dec-95		Hope-In-Action	71	28-Feb-93	A C	Westfield			
St. Botolph	130	14-Sep-91	A B	Parkside Apts. West	146	08-Jul-91	C	Powdermill Village	250	25-Apr-92	A
Tab II	103	04-Feb-2000	D	Leominster				Westwood			
Tai Tung Village	214	24-May-94	C	Litchfield Terrace Apts.	216	20-Sep-94		Westwood Glen	156	27-Oct-91	A
Taurus Apts.	38	07-Jun-92	A C	Riverside Village	312	01-Sep-91	A B	Weymouth			
The Brownstones	35	26-Mar-91	A B	Lowell				Queen Anne's Gate I	150	20-Aug-91	A B
The Dorchester	47	18-Dec-90	B	First Lowell Rehab	46	20-Sep-93		Queen Anne's Gate II	108	20-Jul-93	A
Therach I	109	04-Oct-99	D	Jaycee Housing Elderly	138	01-Jun-97		Tammy Brook Apts.	90	11-Dec-89	B
Therach II	113	04-Oct-99	D	Majestic Apts.	34	14-Feb-96		Winthrop			
Village Manor	65	02-Mar-88	B	Princeton Village	151	07-Feb-89	B	Fort Heath	149	22-Oct-91	A B
Viviendas La Vict I	181	02-Aug-97		Westminster Village	432	29-Dec-90	A	Worcester			
Wardman Trust	88	04-Oct-99	D	Lynn				Conway Gardens	40	13-Sep-2003	D
Warren Ave. Apts.	30	03-Sep-94		Leisure Towers	181	17-Aug-96		Fruit Sever Merrick	132	02-Jun-94	B
Waverly Apts.	102	02-Mar-93		Neptune Towers	334	02-Apr-94	C	Lincoln Village	1213	22-Nov-92	A B
Wayne Apts.	360	18-Dec-94	C	New Rockmere Gardens	12	02-Mar-93		Mountain Village	200	10-Mar-90	B
Westminster Willard	70	15-Feb-88	B	Rockmere Gardens	60	25-Jun-90		Plumley Village	430	23-Jun-92	C
Westminster/Willard	276	31-Dec-96	D	Willow Street	44	08-Jun-96		Upland Gardens	274	03-Oct-93	
Wilder Gardens	70	27-Sep-2001	D	Marlborough				Washington Heights	404	31-Aug-94	A
Wilshire Apts.	29	16-Sep-2000	D	Countryside Village	118	25-Mar-95	C				
Yee Realty	12	24-Aug-92	A C								
Bourne											
Canalside	112	08-Mar-93	A C								
Braintree											
Monatiquot Village	324	30-Nov-92	A								
Brewster											
King's Landing	108	04-Dec-93	A								

NOTES: A These projects have financing provided by the Massachusetts Housing Finance Agency (MHFA), and the subsidies are primarily provided by HUD. Some projects have use restrictions extending beyond the prepayment date, but will be eligible for federal incentives on the date shown.
B Indicates that project owner has retained the right to process under Title II (old preservation law).
C These projects received federal Flexible Subsidy funds from HUD, and their eligibility for Title VI is subject to pending HUD regulations.
D Indicates that HUD, as mortgagee, re-sold project with use restrictions of twenty years or less.

A Profile of the State's Expiring Use Inventory

A recent analysis of CEDAC's database of at-risk housing yields an interesting profile of the 32,156 Massachusetts housing units that face expiring use restrictions during the next decade:

- The EUR inventory encompasses 195 multifamily housing developments owned by private, for-profit entities.
- The average project contains 165 housing units.
- The developments are located in every region of the state:
 - 38% of the projects are in Boston;
 - 22% are in the balance of eastern Massachusetts;
 - 20% are in western Massachusetts;
 - 12% are in southeastern Massachusetts; and
 - 7% are in central Massachusetts
- The EUR inventory is located in cities and towns containing 86% of the state's population.
- The ownership of these developments is highly concentrated: 48% of the HUD financed units are controlled by 8 owners and 36% of the MHFA financed units are controlled by 5 owners.
- The number of very low income tenants is especially high in HUD financed projects: Half of those projects have over 75% of the units receiving project-based Section 8 assistance. When rent subsidy certificates are included, the number of very low income households in the EUR inventory is far higher. ■

Executive Director's Column

by Carl A. Sussman

During the same period that the expiring use projects were being constructed, *Laugh-in*, a popular TV comedy show, featured a segment called "good news/bad news" – a juxtaposition that the popular culture has embraced to describe situations like the one we face in implementing the preservation section of the National Affordable Housing Act.

The good news is that the federal government is prepared to preserve almost all the expiring use units for their remaining useful life. The Act defines this as at least 50 years. For both tenant and community organizations, the good news is also that they qualify as "priority purchasers" who will have the opportunity to acquire these properties.

The bad news, even for a state like Massachusetts with extensive experience and capacity in non-profit development, is the staggering volume of potential transactions. According to an analysis of CEDAC's EUR database, 69 projects containing 13,900 units are eligible to take advantage of Title VI during the next year and a half. That is approximately half the total EUR inventory in the state.

Even if significant numbers of owners opt to retain ownership with the incentives being offered from Washington, the number of projects available to priority

purchasers will nonetheless pose a formidable challenge.

Under these circumstances, our primary goal must be to take full advantage of the opportunity being offered by HUD to preserve the long term affordability of all 32,156 EUR units. Where owners decide to sell, the objective must be to identify the most appropriate and capable purchaser in each situation and to provide that buyer with the support needed to complete the acquisition, to perform the needed rehabilitation, and to serve as the public's steward for this valuable housing resource for the decades ahead.

To take advantage of the Federal government's generous entitlement for EUR purchasers, non-profit buyers must have access to modest amounts of technical assistance and equity financing. A pending state housing bond bill offers the best, and perhaps the only vehicle for satisfying this critical need.

In the final analysis, the good news on the expiring use front is so overwhelming with the passage of the National Affordable Housing Act that those of us in the housing and non-profit development communities cannot afford to pass-up the challenge posed by this historic piece of federal legislation. ■

CEDAC Hosts National Conference on EUR Housing

Despite competing budget priorities, Representative Barney Frank (D-MA) assured participants at a recent conference on expiring use properties that Congress would provide sufficient appropriations to finance the preservation section of the National Affordable Housing Act.

This was welcome news to 150 participants attending the conference, *Housing at Risk: How to Purchase and Preserve Federally Assisted Housing*, co-sponsored by CEDAC and the National Housing Law Project.

The conference brought together non-profit housing developers, tenants, legal services attorneys, and state and local housing officials, to focus on how to max-

imize resident and non-profit ownership of expiring use projects.

Though the Title VI legislation in theory guarantees permanent preservation of this low-income housing stock, while providing financial incentives sufficient to give owners the fair market value of these properties, national experts cautioned participants that many obstacles remain before the spirit of the legislation can be achieved.

Rep. Frank noted that a technical corrections bill, addressing some key concerns where they arise from statutory ambiguity, might be a possibility, and urged attendees to let congressional staff know if further action is needed. ■



U.S. Representative Barney Frank accepts award from Carl Sussman, CEDAC's executive director, for the Congressman's leadership in crafting solution to expiring use crisis.

Susan Weld Launches Child Care Initiative



Calling it "an investment in our future," Massachusetts' First Lady Susan Weld helped launch the Child Care Capital Investment Fund at a day care center in Jamaica Plain last month.

CEDAC has been retained to provide project-related technical assistance as well as to make and service the Fund's loans to non-profit organizations developing space for child care providers or making capital improvements to day care centers.

The Fund is part of a larger Child Care Initiative sponsored by United Way of Massachusetts Bay, New England Telephone, Bank of Boston, and the Boston, Hyams, Riley, Boston Globe, and Shawmut Bank Foundations. Mrs. Weld has recently signed-on as the Child Care Initiative's Honorary Chair.

"Nine loan requests are under active review," reports Dan Violi, CEDAC's senior project manager assigned to the child care project. "They reflect the very considerable need for capital improvements and the difficulty providers encounter in raising capital, especially in this economic environment."

The Fund will help by providing technical assistance, predevelopment



Massachusetts' First Lady Susan Weld (center) talks with CEDAC Chairman Linda Conroy and Executive Director Carl Sussman at event launching Child Care Capital Investment Fund.

loans, and flexibly structured loans and loan guarantees to finance improvements and new facilities.

At its May meeting, CEDAC's Board awarded the Fund's first technical assistance loan to the Hattie B. Cooper Community Center in Roxbury. The Center, which serves 107 children, plans a series of improvements to its facility to reduce its unusually high energy costs. ■



Children entertained visitors at N.I.C.E. Day Care Center in Jamaica Plain.

CEDAC

19 Temple Place
Suite 200
Boston, MA
02111
(617) 727-0506

The Commonwealth
of Massachusetts

William F. Weld, Governor

Executive Office of
Communities & Development

Kevin M. Smith, Acting Secretary

CEDAC

Carl A. Sussman Executive Director

Linda L. Conroy, Chairman

Photography: Greig Cranna

Design: Annie Gear

